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Principles of Good Corporate Governance Shari'a Model

Leny Nofianti

Abstract - Issues of governance in Sharia banking turns out to be very different from conventional banking. This is caused by Sharia banks have a duty to comply with Sharia principles (Sharia compliance). Researchers are doing further study about the principles of governance that already exists, is it in accordance with Islamic teachings. This paper intends to analyse and present how the principles of Good Corporate Governance (GCG) in Islam and how its implementation on financial Sharia institutions. This research aims to provide input and contributions to thinking in the evaluation of the governance of Sharia bank in Indonesia to conform with Sharia principles. This research is a library research, using secondary data in the form of books, journals, and other resources that are relevant to this study and further analyzed using qualitative descriptive methods of analysis.

Keywords - Sharia Governance, Sharia banking, Sharia Compliance

PRINCIPLES OF GOOD CORPORATE GOVERNANCE SHARI'A MODEL

Leny Nofianti, Susnaningsih Mu'at, Desrirmiftah, Febri Rahmi and Andi Irfan

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I. INTRODUCTION

Sharia banking has strategic role in improving the welfare of all people, through the process of gathering together the activities of intermediation and the distribution of funds or provision of other financial services, based on the principles of Shariah. When a conventional banking system limping because of the monetary crisis and the enormous cost to maintain it Sharia banking is thus able to save part of the economy of the Muslims. Survival ability in the era of Islamic banking crisis, has attracted a lot of attention to conventional bankers who then opened the Sharia branch offices.

Based on some research results and reports from the World Bank and ADB banking crisis that occurred in Indonesia and the collapse of the world's major companies due to poor implementation of the practices of Good Corporate Governance (GCG). The lately rapid development of Sharia banking activities demanding immediate implementation of GCG practices in the management of banking in order to provide maximum protection to all parties concerned in the stakeholders, especially customers or depositor. In addition, the implementation of GCG can help minimize the quality of financing that is not good, improve the accuracy of the

assessment of the bank, the infrastructure, the quality of business decision-making, and an early detection system against high risk business area, product, and services.

During the year 2011 Indonesia Islamic banking are having one of the highest growth, where in October 2011, the growth of Bank assets and Public Sharia banking Business Unit has reached 48.1% (yoy) which was the highest annual growth during the last three years, with the market share reached 3.7%. In particular, Europe and America are still overshadowed the growth slowdown, Bank Indonesia predicts Indonesia's economy in the next year still have a fairly high growth in the range of 6.3% 6.7%. Thus expected economic crisis impacts to the growth rates of Sharia banking tending to at least, not many portfolio especially with the assets of sharia banks in foreign currencies and outside the country. Institutionally, the Indonesia Sharia banking currently consists of 11 Public Bank's Shariah-compliant, 23 Sharia business Unit and 154 Sharia rural banks, with total office network amounted to 2017. While geographically spread networked Sharia banking offices currently have been able to reach out to communities in more than 120 counties/cities in 33 provinces in Indonesia. [1]

Evidence that Sharia banks have a greater role in carrying out the functions of intermediary is also seen from the increase in Islamic banking in Indonesia from year to year than the general banking, with positions in August 2010 total 78.01% public Bank and Bank Sharia 98.85%. [2] In the future, the possibility of the occurrence of corruption and irregularities at the bank sharia is not impossible, although there is Board of Trustees, because the culprit is not the Angel. Moreover, Sharia banking is increasing, then the sharia bankers is multiplied also. In connection with it by the executive and officials bank, including even commissioner should be more careful in managing institution Sharia banking always judged sacred as derived from principle of ilahiyah. Therefore it is needed to implement Good Corporate Governance corresponding to Islamic beliefs.

According to Algoud and Lewis (1999) problem of governance in Sharia banking is really different from conventional banks [3]. It is caused by sharia banks had an obligation to comply with the Sharia principle (Sharia compliance) (Algoud and Lewis, 2001), the possibility of asymmetry information very high for sharia banking (Archer and Kariim, 1997), and because Sharia banking is as good as character inherent in form of ethics Islamic business. According to Abdussalam Mahmoud Abu-Tapanjeh (2009)

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dimensions corporate governance in Islam wider the horizon compared with conventional.

Researchers interested to study more about governance principle that already exist, in accordance with Islamic beliefs. This writing means to analyze and present how the principles of Good Corporate Governance (GCG) in Islam and its implementations on financial sharia institution. The study is expected to provide feedback and donations were thought in evaluation governance sharia banks in Indonesia to fit with the Sharia principle

II. LITERATURE REVIEW

A. Corporate governance

According to Grant (2003), Corporate governance is a broad theory as well as related to the harmony between the interests of company management with the interests of the other holders. Therefore, below are outlined some sense and descriptions of corporate governance. [4]

Based on the stake holder theory (Grant, 2003), which has been said by R. Edward Freeman in his book: Strategic Management: A Stake Holder Approach that the existence of the company is to serve its stakeholders (the owners of interest) which is a constituent of the company and should be considered in the decision making process of the company. According to hermanson and larry (2003) understanding corporate governance given by *The Organization for Economic Co-operation and Development (OECD)*, developed a broader difinition (199:1):

Corporate governance ... involves a set relationship between a company's management, its shareholders, and other stake holders. Corporate governance also provides the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined. Good corporate governance should provide proper incentives for the board and management to pursue objectives that are in the interest of the company and share holders and should facilitate effective monitoring ...[5]

Based on the above definition, the notion of corporate governance is quite extensive as it includes: the relationship between the management of the company with their owners and the owners of other interests, and also spoke about the alignment of objectives between the management with the owner, incentives, monitoring and control.

According to Hermanson and Larry (2003), corporate or organizational government is a broad concept and that was exercised by regulators: investors, accountants, and board of directors, and parties involved direct organizational governance according to Hermanson and Larry (2003), is management by internal auditors, audit committees, regulators and law enforcement. While independent public accountants is parties involved not direct in organizational government with management, but is directly involved with audient committees. Organizational in governance includes: parties involved, activities, purpose or targeted and its responsibility.

According to the forum for corporate governance in Indonesia), FCGI usefulness of enterprises (Sukrisno Agoes,

2005). The application of enterprises at college. Auditors, no. 18 is: (a) easier acquire capital; (b) capital cost (cost of capital) the lower; (c) improve the performance of effort; (d) affect stock prices; (e) improve the performance of economy. [6]

In Indonesia, Sharia banks to implement GCG also requires the Board of Commissioners and the audit committee, should also be there is Sharia Supervisory Board. The Board of Trustees of Sharia this is the outside parties company that later became part of the company's internal appointed with the approval of the national Sharia Board.

B. The principle of conventional governance

Legally the GCG principles have been laid down by the Indonesian Bank Regulation (PBI) No. 8/4/PBI/2006 and amended in the regulations of Indonesia Bank No. 8/14/PBI/2006 regarding the implementation of Good Corporate Governance for commercial banks. In law No. 21 of 2008 about Islamic banking, it was determined that in carrying out its business, bank and business units sharia (UUS) mandatory Good Corporate Governance application, the precautionary principle and risk management. In addition the sharia bank and UUS are required to apply the principle of knowing the customer and customer protection including obligation to explain to the customer about the possibility of the emergence of the risk of loss with respect to any transaction made through Sharia banks. [7]

The Bank Indonesia regulation on the implementation of Good Corporate Governance For commercial banks number: 8/4/PBI/2006 on January 30, 2006 said that Good Corporate Governance is a corporate governance of banks that apply the principles of transparency, accountability, responsibility, independency, and fairness. These same principles with the principles expressed by the OECD's explanation as follows: a) Transparency, openness in the decision-making process and openness in disclosing information about the company and relevant material, b) accountability, clarity function implement and responsibility organization that corporate management implemented effectively, c) Accountability, i.e. the appropriateness in the management of the company to the laws and regulations and the principles of a healthy Corporation, d) Independence, i.e. the State where the company is managed professionally without conflicts of interest and influence or pressure from any party who does not comply with the rules and principles of law regulations of the Corporation, and e) Fairness, i.e. State and equality in fulfilling the rights of stakeholders arising under agreements and legislation in force.

C. Previous research

HasanTurabi (1987). Conclude that “ it is important to note that an awareness of the general nature and features of the Islamic state is necessary for an understanding of modern Islam as a resurgent force seeking to make up for a failure to realize Islam fully” [8]

Abdussalam Mahmoud Abu-Tapanjeh (2009), “This paper is an attempt to discuss the nature, applications and comparison of Islamic principles of corporate governance (IPCG) with conventional principles of corporate governance

considering special reference to Organization of Economic Co-operation and Development (OECD). After the discussion, it can be concluded that the dimension of Islamic perspectives of corporate governance has broader horizon and cannot compartmentalize the roles and responsibilities in which all actions and obligations fall under the jurisdiction of the divine law of Islam whereas, the OECD principles implements a firm with six different issue and obligations. Furthermore, this paper can provide some insight view in fettering mechanism to controlled, direct and organized economic activity from the Islamic point of view” [9]

Nasser M. Suleiman, (2000) Stated that its examination of corporate governance in Islamic banking begins with the comparing governance structures in the Islamic bank and will continues with the principles of Islamic banking. This study compares the Islamic banking, financial model and its implications for governance structures. The study intends to give a small picture on the principles of Islamic banking. [10]

Zulkifli Hasan (2009) concluded that this paper examines the basic elements of Islamic corporate governance with the Western counterpart in the aspects of conceptual definition, episteme, corporate objective, nature of management and corporate structure. [11]

Aznan (2002) Discuss Models of Shariah Governance in some countries such as Malaysia, Pakistan, U.A.E, Bahrain, Kuwait and Qatar [12]

Maria Bhatti and M. Ishaq Bhatti (2010). This article proposes a model of ICG that reconciles the objectives of Shariah law with the stakeholder model of corporate governance. It argues that this may be viable due to the emphasis that Shariah laws place on property and Islamic financial contractual rights. The article also discusses a model of ICG that is consistent with principles outlined by the Organisation for Economic Co-operation and Development as well as Shariah law. Such a model of corporate governance would encourage capital formation, foster strong markets, and encourage judgment and transparency, which are all principles central to Shariah laws. [13]

Nurhidayatisetiyan (2010). Examines government policy on the implementation of good corporate governance for commercial banks in practice sharia banks in indonesia and review the implementation of good corporate governance for commercial banks in the management sharia banks in indonesia [14]

III. RESEARCH METHODOLOGY

This research is a library research, using secondary data in the form of books, journals, and other resources that are relevant to this study. All research data are already collected and further analyzed using qualitative descriptive methods of analysis.

IV. ANALYSIS AND DISCUSSION

The implementation of Good Corporate Governance (GCG) in the Bank Sharia is part of sharia banks spirit, the

bottom line is that the spirit of responsibility, obligation, openness and fairness through devotion and submission to Allah SWT and through equalization capabilities, knowledge, information and appreciation. This spirit is the basis for corporate governance/code of ethics and business in bank sharia, including in providing financing for businesses sharia.

On Islamic banks, to implement Good Corporate Governance also requires the Board of Commissioners and the audit committee, should also be there is Sharia Supervisory Board. The Board of Trustees of Sharia this is the outside parties company that later became part of the company's internal appointed with the approval of the national Sharia Board.

Aspects of conformance with Sharia (shariah compliance) is the main and fundamental aspects that differentiate between Islamic banks and conventional banks. Bank Indonesia research results with several research institutes of universities in Java about potential, preferences, and behaviors towards Islamic banking community on the island of Java in 2000, shows that one of the main reasons people chose the Islamic bank is the halal products and services as well as the Islamic banking system in accordance with Islamic principles. The results of the study also concluded that one of the main reasons the customer cease to be Islamic bank customer because of doubt will be the consistency of Islamic banks in implementing the principles of the Sharia. The results of the study also concluded that one of the main reasons the customer cease to be Islamic bank customer because of doubt will be the consistency of Islamic banks in implementing the principles of the Sharia.

The sharia supervisory board is independent institution in a shariah bank its major function is to monitor compliance sharia in operational of sharia banks. Duties and functions as well as the existence of the Sharia Supervisory Board in Islamic banks have a legal basis both in the legislation and jurisprudence the banking laws in Indonesia. Sharia Supervisory Board is the General term used in Indonesia to refer to internal oversight institution of Sharia in the Islamic bank, because overseas DPS also known as Shari'a Supervisory Board (SSB), or shari'a, shari'a committee or council, and so on. Any number of different special is different for each country though it functions and its duties are the same.

One way to assess the performance of the bank was through the level of health. For sharia banks have been excluded bank Indonesia regulations pbi number 1/9/2007 and circular letter bank Indonesia number 9/24/ dpbs about system of grading the soundness of commercial banks based on then sharia principle. For sharia banks have been excluded bank Indonesia regulations PBI number 1/9/2007 and circular letter bank Indonesia number 9/24/ dpbs about system of grading the soundness of commercial banks based on then sharia principle.

For sharia banks have been excluded Indonesian Bank regulations PBI number 1/9/2007 and circular letter bank indonesia number 9/24/dpbs about system of grading the soundness of commercial banks based on then sharia principle. Strictly speaking, the banker sharia must play its role as a pioneer of GCG enforcement in banking institutions.

If the bankers sharia do perversion and moral hazard, it implicates not only to the institution but also to the image of

sharia. Although the community knows that it's a specific person's fault. But people will quickly assess that the Shariah was doing moral hazard, especially conventional institutions.

Necessity of the banker sharia as pioneer enforcements gcg than conventional, according to algaoud and lewis (2001) due to the problem of governance in the banking industry is very different from conventional banks. *First*, Islamic banks have a duty to abide by the principles of the Sharia (shariah compliance) in carrying out its business. Hence, the sharia supervisory board (dps) play a particularly important role in governance structure sharia banking. *Second*, because of the potential occurrence of information asymmetry is very high for Islamic banking agency problem then becomes very relevant theory [15]. This is related to the problem the level of accountability and transparency the use of customer funds and shareholders. Therefore, the problem of representation of investment account holders in good corporate governance mechanisms become strategic problems that must also got the attention of Islamic banks [16]

Third, from the perspective of corporate culture, Islamic banking should be doing the cultural transformation in which the values of Islamic business ethics into a character that is inherent in the practice of Islamic banking business [17]

The problem of governance in the banking industry is very different from conventional banks (Algoud And Lewis, 2001). Sharia Governance having uniqueness when compared with conventional, in line with the opinions Zulkifli Hasan (2009) that:

"Islamic corporate governance model in Islam has its own unique features and presents distinctive characteristics in comparison with the western concept of the Anglo-Saxon and the European models. It combines the element of Tawhid, Shura, Shari'ah rules and maintains the private goal without ignoring the duty of social welfare." [18]

According to Beikos and Rindaasyuti (in Cyprus, 2000, rindaatuti. word press.com) beside that Islamic banks face a greater financial risk in comparison with conventional banks because first of all, the vast majority of financing in sharia bank is for the results where the income of the bank for these results have a higher level of risk. Second, sharia banks bear the risk of liquidity much greater because of a number of its assets is a form of non liquid assets. Third of sharia banks more exposure at risk because the implementation of fiscal and monetary change cost to customers, for the results of fourth risk of sharia banks have far greater at the risk of currency exchange rate because is prohibited from conducting hedging tool.

The risks faced by Islamic banking are credit risk (non asset for the results, and for the results system asset (asset variable), market risk (the risk of equity price risk, exchange rate, commodity price risk, liquidity risk, operational risk, legal risk, reputation risk and others. Where risks it should be minimized by management in order to meningkatkan performance of sharia banks. One who can do is the implementation of Good Corporate Governance. Risk on sharia banking is as one factor that can mempush the implementation of corporate governance at a bank sharia.

The application of the principles of GCG operational especially in a company that is engaged in the field of finance such as bank especially bank sharia is very important. Because in its operational, the bankers are required to always carry out the principle of prudence bank in providing services and financial services to the community. Bank Indonesia as the banking authorities must be able to perform the assessment and implementation of GCG of bank. In Indonesia for Islamic financial institutions is still based on Bank Indonesia Regulation number 8/4/PBI/2006 dated 30 January 2006 concerning implementation of Good Corporate Governance For commercial banks that return enhanced through PBI No. 8/14/PBI/2006 dated 5 October 2006 regarding changes to the PBI No. 8/4/PBI/2006, then improved again PBI No. 11/33/PBI/2009 dated 7 December 2009 and circular letter of Bank Indonesia No. 12/13/DPBs dated 30 April 2010 on the implementation of Good Corporate Governance For a public Bank Sharia and Sharia Business Unit. The principle of gcg in this regulation is still equal to oecd conventional. Whereas shari'abank possessed of different characteristics with conventional banks. This regulation confirms that the implementation of GCG in the banking industry should be always based on five basic principles: transparency, accountability, responsibility, independency, and fairness.

Abdussalam Mahmoud Abu-tapanjeh (2009), research on the nature of the application of the principles of corporate governance and comparison with the principles of islamic governance company presented by OECD that is conventionally.

The research concludes that the dimensions of Islamic perspective corporate governance having a wider the horizon and cannot be dikotakkan the role and responsibility, in which all the act of and liabilities fall under the jurisdiction of the divine law of islam meanwhile, apply the principles of oecd different problems and obligations. [9]

Researcher tried to dig the principles of Good Corporate Governance sharia of the leadership of rasulullah saw (marzuki, 2008) and khulafahul ryashidin. Islam far before birth GCG who become a reference for Good Corporate Governance in the world. Some of the principles that are considered important for researchers in implementing Good Corporate Governance and implementation of Sharia, the Islamic banking as follows:

1. *Shiddiq* (honesty)

Shiddiq means true in his words and deeds. That of rasulullah in his speech and deeds as mentioned in surah an najm 4-5. And are they ever saying it (Al Quran) according to the whims of lewdness. Stating that there was nothing but a revelation that is revealed to him. Implementation in practice of Islamic banking, honesty should be applied within each banking transaction. Bank employees are prohibited from making use of his own personal interests for the bank, ahead of the interests of the client and does not conceal the weakness of banking products so that later the customer does not feel aggrieved.

2. *Amanah* (the fulfillment of trust)

Amanah means that really can be trusted. Affairs, if one given to him undoubtedly people believe that affairs that

will be implemented properly. I delivered my *godamanah* to you and i am just the grantor the counsel trusted to you.(Al a'raaf:68). Implementation in practice of sharia banking that bank must be convinced that all members of the organization bank have competency in accordance with its function and job so that it can run errands and its function properly.

3. *Tabligh*(transparency and openness)

Tabligh means convey. Nothing hidden although it offends. Implementation in practice of Islamic banking that the bank must disclose the information in a timely, adequate, clear, accurate, and can be compared, as well as easily accessible by stakeholders in accordance with their rights. The information must include the diungkapkan vision of the Organization's mission, objectives, strategies, financial condition, organizational structure and system of reward and punishment, the majority shareholder. The principle of openness that is embraced by the bank does not reduce the obligation to comply with the provisions of the bank secret in accordance with the applicable laws and regulations, Office of the secret service, and personal rights. The bank's policy must be in writing and communicated to the interested parties (stakeholders) and the right to obtain information about those policies.

4. *Fathonah*(intelligence)

Fathonah means in delivering intelligent, explain, organize and manage something. Implementation in practice of Islamic banking that the bank should be able to explain and convey information about its products properly so that the prospective customer understand and understand and will trust in banks is to organize and manage their funds.

5. *Tawazun* (balance)

Tawazun is the balance in all things and this is the character of *ahlusunnah wal pilgrims* always taught by the prophet Muhammad SAW and the friend. Implementation in practice of sharia banking that acquired characteristics balance bank sharia said the principle of *syari h islam* in the management of property emphasizing balance (tawazun) that the essence of it includes balance material aspects and spiritual, the aspect of private and public, the financial sector and, sector riel business and social and balance the aspect of conservation and utilization. Transactions sharia not only emphasizes on *maksimalisasi* corporate profits only for the benefit of the owner of (shareholder). The advantage that is obtained from the transaction did not only focused on the shareholders, but in all parties who can feel the benefits of an economic activities. Banks must provide opportunities to all stakeholders to provide input and pass an opinion for the interests of the bank and have access to information in accordance with the principle of openness.

6. *Mas'uliyah* (accountability) *Mas'uliyah* is accountability which is the principle of leadership. Implementation in practice of Islamic banking that the Bank must establish clear responsibility of each organization that is aligned with the vision, mission, goals and business strategy of the company. The Bank must ensure there is a checks and balances system in the management of the bank. The Bank must have performance measures from all ranks of the bank based on the agreed measures are consistent with the value of the company (corporate values), business objectives and strategy of the bank as well as have a rewards and punishment system.

7. *Akhlaq*(morals and integrity)

Behavior or morals is an act that drives someone to act in good. The implementation in practice of Islamic banking that the bank provides information on advantages and disadvantages of products and services do not discriminate on the basis of tribe, religion, race, and class.

8. *'Adalah* (justice).

'Adalah is justice in being. The basic mechanism of Islamic finance will be able to realize the economic activity that is more fair and transparent. Implementation in practice sharia banking that financial mechanism in bank sharia was expected to lessen the impact spread negative or advantage minus and mechanism bank financial sharia concept does not know the time value of money (Syafei Antonio, 2001). Fair in providing information in a manner not gloss over failings the product.

9. *Hurriyah*(independence and responsible freedom)

Huriyyah is the attitude which assumes that humanity is a creation of God and have the freedom of responsible. Implementation in practice of Islamic banking that the Bank should avoid the occurrence of unusual dominance by any stakeholder and not affected by unilateral interests and free from conflict of interest. The Bank in taking decisions must be objective and free of any pressure from any party.

10. *Ihsan* (professional)

Ihsan is perfection or excellence, professional in running errands. Implementation in practice of Islamic banking that in doing service to the customer by not differentiating race, tribe and religion and considers that the customer is a King who must be served with a good.

11. *Wasathan* (fairness)

Wasathan is the reasonableness in all things. Implementation in practice of Islamic banking that the Bank should continue to pay close attention to the interests of all stakeholders based on the principle of equality and fairness.

12. *Ghirah* (spirit/passion)

Ghirah is passion in defense of right. Implementation in practice of Islamic banking that the bank should explain

carefully and honestly about the contract that occurs within a transaction without any covered.

13. *Idarah* (management)

Idarah is able to manage all the things well. Implementation in practice of Islamic banking that Bank as financial institutions to fund grouper able to manage client funds properly in accordance with the Islamic Sharia and in accordance with the contract at the beginning of the transaction, And to realize system and order a healthy Islamic banking and Islamic principles in the implementation of *istiqomah* needed Human Resources that is able to master the technical and Sharia banking.

14. *Khilafah* (leadership)

Khilafah is leadership in Islam, capable of leading the overall. Implementation in practice of Islamic banking that bank Management was able to lead the subordinates in performing its duties and functions so bank able to survive and having a good performance.

15. *Aqidah* (trust and confidence)

Aqidahis an unwavering trust and confidence. Implementation in practice of Islamic banking that Islamic banking is not only focused on the achievement of targets set for the sake of the interests of shareholders, but also committed to the application of Islamic values.

16. *Ijabiyah* (positive thinking)

Ijabiyahis to think positive and do not consider it to be not important. Implementation in practice of sharia banking that the bank should be able to protect funds customers and banks must apply the principle of prudential in extending credits of customers.

17. *Raqabah* (supervision)

Raqabah is a principle which considers that any action that supervised. Implementation in practice of Islamic banking Shariah banking organization that in this case the Sharia Supervisory Board, have to do surveillance of Islamic banking practices and holds the principle that such practices not only supervised by humans but also supervised by Allah SWT.

18. *Qira'ah and Ishlah* (Organization who continues studies and Always make improvement)

Implementation in practice of sharia banking that sharia banks have to do repair both in terms of organization and in terms of products based on sharia banking. Sharia banks should be able to correct one thing that is deviating from sharia principle.

19. *Zuhud* (Avoid these worldliness)

Zuhudis considered that the world is not all and sundry but there are eternal afterlife. Implementation in practice of sharia banking that to achieve the target. Islamic banking could not justify all

means so that the Islamic banking to avoid things that are prohibited in Islam

Based on the description above, it is absurd that Islam has been in the front of implementing the practice of GCG and can be used as references for the best good corporate governance in the world. Prinsip-prinsip yang diharapkan dapat menjadi panduan pengelolaan institusi ekonomi dan keuangan syaria'ah secara profesional.

V. CONCLUSION

Islam far before birth GCG who become a reference for good corporate governance in the world. The principle of good corporate governance sharia can be developed from the leadership of Rasulullah saw and khulafahul ryashidin. To apply GCG on sharia banking, it is not enough to the principle of governance put forward to conventional banks. There are some principle that must be attached to sharia business, among other shiddiq (candour), amanah (the fulfillment of trust), tabligh (transparency and openness), fathonah (intelligence), tawazun (balance), mas'uliyah (accountability), akhlaq (moral and integrity), is (justice), hurriyah (pendency and liberty are responsible), ihsan (professional), wasathan (reasonableness), ghirah (spirit), idarah (management), (leadership), the caliphate *aqidah* (trust and confidence), *ijabiyah* (thinking positive), *raqabah* (control), *qira'ah* and *ishlah* (organization who continues studies and always do repair) and *zuhud* (Avoid things worldliness)

Therefore, it is very necessary that GCG is completely in accordance with Islamic teachings in bank sharia. The implementation of good corporate governance (GCG) in the Bank Sharia is part and parcel of Spirit bank sharia, the bottom line is that the spirit of responsibility, obligation, openness and fairness through devotion and submission to Allah SWT and through equalization capabilities, knowledge, information and appreciation. This is the spirit that is the basis for corporate governance/code of ethics and business in bank sharia, including in providing financing for businesses sharia.

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